

**STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Before the Commissioner of the Office of Financial and Insurance Regulation

In the Matter of:

THOMAS MULHOLLAND
System ID No. 48885

Enforcement Case No. 10-7657

Respondent
_____/

Issued and entered
on MAY 28 2010
by Stephen R. Hilker
Chief Deputy Commissioner

CONSENT ORDER OF REVOCATION AND STIPULATION

A. FINDINGS OF FACT AND CONCLUSIONS OF LAW

It is alleged that the following statements are true and correct:

1. Thomas Mulholland, System ID 0048885, is a licensed resident producer with qualifications and authority to transact business in the industry of insurance.
2. Respondent engaged in conduct that is fraudulent, coercive, and dishonest and has demonstrated financial irresponsibility in the conduct of business in this state where he encouraged insurance clients to borrow money from or surrender insurance contracts and then use the proceeds to enter into loan agreements with him for purported real estate investments. Instead, Respondent used the proceeds as personal loans, and has failed to pay in accordance with the agreements, and has filed bankruptcy to discharge the obligations.
3. More specifically, on or about October 8, 1997 Mr. and Mrs. C entered into a contract with Respondent giving him \$8,000. The contract promised 10% interest per year with principal and interest payable on demand. Mr. C provided OFIR staff with statements of the promissory note from Mulholland Financial showing the interest was credited yearly. Mr. C also supplied a list of properties he believed he was investing in that he received from Respondent. Mr. C also stated to OFIR staff that he took money from an insurance contract to enter into this agreement with Respondent.
4. On or about June 7, 2007 Mr. and Mrs. N entered into an agreement with Respondent giving him \$125,000. The contract promised 7% interest per year with the note payable

upon 30 days written demand. Mr. and Mrs. N provided OFIR staff with copies showing payments of \$50,000 and \$75,000 to Respondent. Mr. and Mrs. N also provided copies of statements from Mulholland Financial. OFIR staff spoke with Mrs. N who stated she used money from a Jackson National Life insurance contract to enter into this agreement with Respondent. Mrs. N also stated that she believed this was an investment in real estate.

5. On or about April 8, 2008 Mr. and Mrs. Nt entered into three separate agreements with Respondent giving him \$12,000.00, \$3,500.00, and \$2,500.00. The contracts all promised 7% per year in interest. An additional payment was made in February 2009 of \$36,000.00. Respondent also acted as an insurance agent for Mr. Nt.
6. On or about January 13, 1994 Mr. and Mrs. H entered into an agreement with Respondent giving him \$2,000.00. The contract promised 10% interest per year. The note purports to be a loan payable upon demand. On November 17, 1999 Mr. and Mrs. H deposited an additional \$3,000.00 with Respondent. Respondent was also the insurance agent for Mr. and Mrs. H. Mr. and Mrs. H provided copies of loan statements provided by Respondent and Mulholland Financial. Mr. H stated he believed this agreement was an investment in real estate.
7. OFIR staff spoke with 18 other investors in the Bay City/Saginaw area identified by Respondent's bankruptcy filing. All individuals believed they had invested in real estate with Respondent. None had agreed to give him a personal loan.
8. Respondent knew or had reason to know that Section 1239(1)(h) of the Insurance Code provides that the Commissioner may place on probation, suspend, or revoke a producer's license or may levy a civil fine under section 1244 or any combination of actions using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.
9. Respondent engaged in acts and conduct that is fraudulent, coercive, and dishonest and demonstrated financial irresponsibility in the conduct of business in this state where he encouraged insurance clients to borrow money from or surrender insurance contracts and then use the proceeds to enter into loan agreements with him. *OFIS v. Donald Nelligan, III*, Docket No. 2005-296, Case No. 05-463-L (April 18, 2006). Respondent has failed to pay in accordance with the agreements and has filed bankruptcy to discharge the obligations.
10. Respondent violated Section 1239(1)(h) of the Code where he encouraged insurance clients to borrow money from or surrender insurance contracts and then took the proceeds so that they could enter into loan agreements with him. Respondent did not pay in accordance with the agreements and filed bankruptcy to discharge the obligations. Respondent's conduct is fraudulent and dishonest, and financially irresponsible.

11. The Respondent has committed acts that have resulted in a violation of the Michigan Insurance Code, which are grounds for the Commissioner to revoke his insurance producer's license pursuant to MCL 500.1239(1)(h).

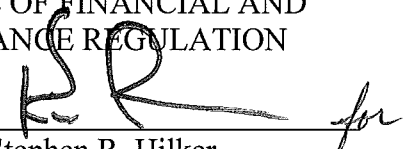
B. ORDER

Based on the findings of fact and conclusions of law above and Respondent Thomas Mulholland's Stipulation, it is **ORDERED** that:

1. Respondent shall immediately **CEASE AND DESIST** from operating in such a manner as to violate Section 1239(1)(h) of the Code, MCL 500.1239(1)(h)
2. Respondent's insurance producer license and authority are hereby **REVOKED**.

OFFICE OF FINANCIAL AND
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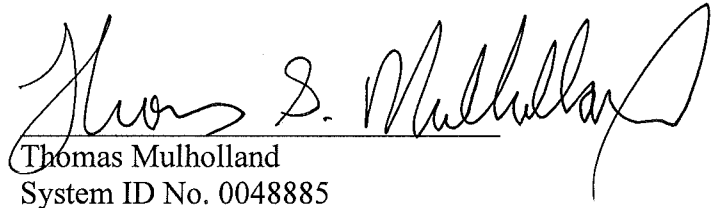
By: _____


Stephen R. Hilker
Chief Deputy Commissioner

C. STIPULATION

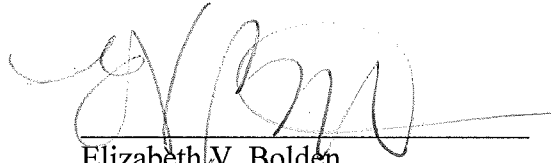
Respondent has read and understands the Consent Order above. Respondent agrees that the Chief Deputy Commissioner has jurisdiction and authority to issue this Consent Order pursuant to the Michigan Insurance Code. Respondent waives the right to a hearing in this matter if this Consent Order is issued. Respondent understands that the Consent Order and Stipulation will be presented to the Chief Deputy Commissioner for approval and the Chief Deputy Commissioner may or may not issue this Consent Order. Respondent waives any objection to the Commissioner deciding this case following a hearing in the event the Consent Order is not approved. Respondent neither admits nor denies the Findings of Fact and Conclusions of Law set forth in the above Consent Order, and agree to the entry of the Consent Order.

Dated: 5-27-10


Thomas Mulholland
System ID No. 0048885

The Office of Financial and Insurance Regulation staff approves this stipulation and recommends that the Chief Deputy Commissioner issue the above Consent Order.

Dated: 5/27/2010


Elizabeth V. Bolden
Staff Attorney